



Nevada SB420

Senate Bill 420 would codify enabling legislation to allow businesses in North Lake Tahoe Nevada to explore creating a Business Improvement District

- SB420 authorizes counties to form Business Improvement Districts (BID) to provide funding for transportation and mitigation of visitor activities in the Lake Tahoe Basin.
 - BIDs provide a stable funding mechanism for destinations to fund activities and improvements by authorizing a self-assessment by local businesses within the destination. The funds generated support the sustainability of the destination and thereby the business activity.
- SB420 is **not a tax**; it is enabling legislation that would allow businesses in the region to self-assess if and only if a majority of businesses in the District vote in favor of creation, with approval by the appropriate County.
- Funds generated by the BID would be used for the following purposes at the direction of the BID Board: transportation enhancements, visitor impact mitigation, downtown beautification and economic vitality.
- In 2021, local businesses in North Lake Tahoe, California agreed to self-assess and form a BID.
 - This District collects an estimated \$6.5 million per year from multiple sectors of the local economy.
 - This funding has made a significant impact in North Lake Tahoe's (CA) ability to implement transportation, housing, and destination stewardship projects.
- In the Lake Tahoe region, there are two existing BIDs: North Lake Tahoe Tourism Business Improvement District (NLTTBID) on the northwest side of the lake in CA and South Lake Tahoe Tourism Business Improvement District (SLT-TBID) on the south east portion of the lake.
- While BID legislation exists in California and other states, there is currently no statute enabling BIDs in Nevada.
- BIDs are not formed unless and until there is a consensus among assessed businesses in support of the district. Further, local counties provide oversight of the operations of the BID. BIDs are local, business-led solutions to local challenges brought on by the impacts of tourism.
- If passed, there will be numerous opportunities for public input on the creation and structure of the District Management Plan and a BID would only be created after a majority vote by the businesses in the district and County approval.

- Only businesses in North Lake Tahoe Nevada would be involved in the management of the District; other public bodies around the lake such as the Tahoe Regional Planning Agency (TRPA) would **not** be involved in any part of the BID.

Why Travel North Tahoe Nevada Supports SB420

1. Growing Demand for Transportation Infrastructure Improvements

- North Lake Tahoe is a popular year-round destination, attracting millions of visitors annually. This visitation has increased pressure on the region's transportation and infrastructure systems, including roads, trails, transit, and utilities.
- As the population and tourism numbers continue to rise, existing infrastructure is reaching its limits. This is leading to congestion, wear and tear, and increased maintenance costs.

2. Aging Infrastructure

- Much of the region's transportation infrastructure was built decades ago and is now in need of significant repair to existing infrastructure and upgrade and expand transit services throughout the lake.
- Aging infrastructure can pose safety risks and impact the region's ability to effectively manage traffic and provide reliable services to residents and visitors, especially during snowy conditions.

3. Environmental Sustainability

- Sustainable transportation solutions such as expanded public transit, walking and bike lanes, are crucial for reducing carbon emissions and preserving the region's natural beauty.
- A reliable and clean transportation system supports environmental goals by reducing traffic congestion, air pollution, and greenhouse gas emissions, making North Lake Tahoe a model for green tourism and living.

4. Reliance on Inconsistent Funding Sources

- Current funding for transportation and infrastructure improvements relies heavily on fluctuating federal, state, and local sources which are often one-time grants or subject to political shifts.
- The lack of a stable, long-term funding mechanism makes it difficult to plan and execute large-scale infrastructure projects or maintain existing systems in a predictable and sustainable way.

5. Impact of Seasonal Tourism

- North Lake Tahoe experiences a major influx of tourists during peak seasons (summer and winter). This seasonal variation leads to spikes in demand for transportation, public services, and maintenance.
- Sustainable funding sources are necessary to ensure that infrastructure can handle peak season stress and provide services year-round without overburdening local resources.
- Lake Tahoe, and particularly Incline Village and Crystal Bay with their proximity to Reno, is a popular tourism destination. Yet existing funding to support the visitation, especially day-trips which do not result in overnight stays and room tax revenue, have not kept

pace with the visitation growth since COVID to support the transportation and sustainability needs of the region.

6. Local Government Capacity

- Regional collaboration is key, but a consistent and reliable funding stream is needed to support these joint efforts and ensure that infrastructure investments are equitably distributed.
- Lake Tahoe is often used by other organizations and jurisdictions as a tool to attract tourism to the Northern Nevada/California area which means sufficient funding is key to maintaining the region by Destination Management Companies.

7. Tourism-Driven Economic Benefits

- Tourism is a major economic driver for North Lake Tahoe, but without reliable transportation infrastructure, the region risks losing visitors due to congestion, long delays, and poor road conditions.
- Investing in sustainable transportation services will not only improve residents' quality of life but also ensure that tourism continues to thrive by providing a seamless experience for visitors.

8. Need for Diversified Funding Sources

- Solutions such as SB420, dedicated local generated and controlled revenues, public-private partnerships, and regional transportation funding initiatives can help ensure a steady flow of funds.

9. Cost of Inaction

- Delaying investment in transportation services and transportation systems leads to higher long-term costs due to emergency repairs, increased traffic congestion, and diminished tourism appeal.
- A proactive approach to funding sustainable transportation services now will save money in the future, protect public safety, and support the region's economic stability.

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